



Legislative Fiscal Bureau

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TO: Members
Wisconsin Legislature

FROM: Bob Lang, Director

SUBJECT: 2013-15 and 2015-17 General Fund Budget

The following tables (in millions) provide information on the condition of the state's general fund for 2013-15 and 2015-17 under the 2013-15 budget (2013 Act 20). Table 1 displays the projected 2013-15 general fund condition statement.

TABLE 1
2013-15 General Fund Condition Statement
2013 Act 20

	<u>2013-14</u>	<u>2014-15</u>
Revenues		
Opening Balance, July 1	\$670	\$463
Taxes	14,013	14,518
Departmental Revenues		
Tribal Gaming Revenues	26	27
Other	<u>590</u>	<u>534</u>
Total Available	\$15,299	\$15,542
Appropriations, Transfers, and Reserves		
Gross Appropriations	\$14,977	\$15,433
2013 Act 9	9	11
Transfers to:		
Transportation Fund	61	144
Veterans Trust Fund	5	0
Compensation Reserves	79	133
Less Lapses	<u>-295</u>	<u>-335</u>
Net Appropriations	\$14,836	\$15,386
Balances		
Gross Balance	\$463	\$156
Less Required Statutory Balance	<u>-65</u>	<u>-65</u>
Net Balance, June 30	\$398	\$91

Table 2 focuses only on the 2014-15 fiscal year. 2014-15 is the "base year" for construction of the 2015-17 budget.

TABLE 2

2014-15 General Fund Condition Statement

	<u>2014-15</u>
Opening Balance, July 1	\$463
Revenues (Taxes and Departmental Revenues)	<u>15,079</u>
Total Available	\$15,542
Net Appropriations	\$15,386
Gross Balance	\$156

Table 3 addresses the structure of the general fund budget. To do so, only the revenues, net appropriations, and the difference between the two is shown. Thus, Table 3 ignores the opening balance and focuses only on the revenues and net appropriations for the 12 months of the fiscal year.

TABLE 3

2014-15 Balance of Revenues and Expenditures

	<u>2014-15</u>
2014-15 Revenues	\$15,079
Net Appropriations	<u>15,386</u>
Difference	-\$307

Table 3 indicates that net appropriations exceed revenues by \$307 million. Thus, the structure of the general fund shows a balance of -\$307 million. The -\$307 million becomes \$156 million when the \$463 opening balance is considered. However, Table 3 focuses only on the revenues and net appropriations for the 12-month period (July, 2014, through June, 2015).

Table 4 shows estimated 2015-17 general fund commitments. This table reflects estimated increases or decreases of various items for each year of the 2015-17 biennium as a change to base year (2014-15) revenues and net appropriations.

TABLE 4**2015-17 General Fund Commitments**

	<u>2015-16</u>	<u>2016-17</u>
Revenues (Taxes and Department Revenues)		
2014-15 Base Revenues	\$15,079	\$15,079
Modifications to Base		
Manufacturing and agriculture credit	-\$41	-\$74
Capital gains for Wisconsin-based assets	0	-6
Collections from federal audit reports	0	-10
Increase cap for economic development credits	2	8
Phase-out medical records credit	3	5
Program revenue lapses	<u>-38</u>	<u>-38</u>
Subtotal-- Modifications	-\$74	-\$115
Total	\$15,005	\$14,964
Net Appropriations		
2014-15 Base	\$15,386	\$15,386
Modifications to Base		
Transfer to DOT	-\$108	-\$108
Depletion of TANF balance	37	41
Zoo Interchange bonding debt service	11	14
Debt service (excluding Zoo interchange)	-11	-82
Parental choice program	16	33
FoodShare work requirements	8	8
Disaster damage aids	-9	-9
Disproportionate share hospital payments	-15	-15
Mental health services	9	9
TB response	-2	-2
Attorney pay progression	5	9
Covenant	0	-4
Health care data grants	-2	-3
Kenosha County human services	-1	-1
MA fiscal agent	0	-1
Courts lapse	5	5
Legislative lapse	5	5
UI interest payment	<u>-7</u>	<u>-7</u>
Subtotal -- Modifications	-\$59	-\$108
Total	\$15,327	\$15,278

Table 5 places the figures from Table 4 into condition statement format for the 2015-17 biennium. It is important to note that the amounts shown in Tables 4 and 5 represent commitments under current law and the provisions of 2013 Act 20. No assumptions are made about changes (increases or decreases) in caseload and population estimates or for such items as state employee compensation in the 2015-17 biennium. Also, the figures in Table 5 are displayed for the purpose of examining base revenues and appropriations, adjusted for 2015-17 commitments. The table does not reflect any potential revenue growth or other appropriation changes.

TABLE 5

**2015-17 General Fund Condition Statement
(Before Revenue Growth and Program Expansion)**

	<u>2015-16</u>	<u>2016-17</u>
Opening Balance, July 1	\$156	\$65
Revenues (from Table 4)	<u>15,005</u>	<u>14,964</u>
Total Available	\$15,161	\$15,029
Net Appropriations (from Table 4)	\$15,327	\$15,278
Required Balance	<u>65</u>	<u>65</u>
Total	\$15,392	\$15,343
Amount Needed	\$231	\$314
Biennial Amount		\$545

Table 5 shows that, for 2015-16, the general fund would need to generate \$231 million in order to meet commitments under current law and the provisions of 2013 Act 20, maintain the required statutory balance, and balance the budget for that year. In 2016-17, \$314 million (\$83 million over the \$231 million in 2015-16) would need to be realized.

Table 6 lists the estimated general fund amounts necessary to produce a balanced budget for 2015-17 and the nine preceding biennia.

TABLE 6**General Fund Amounts Necessary for a Balanced Budget***

	<u>1st Year</u>	<u>2nd Year</u>	<u>Total</u>
For the 2015-17 Biennium			
2013 Act 20	\$231	\$314	\$545
Legislature	239	317	556
Joint Finance	202	303	505
Governor	336	348	684
For the 2013-15 Biennium	-140	-6	-146
For the 2011-13 Biennium	1,232	1,279	2,511
For the 2009-11 Biennium	800	882	1,682
For the 2007-09 Biennium	653	846	1,499
For the 2005-07 Biennium	701	845	1,546
For the 2003-05 Biennium	1,340	1,527	2,867
For the 2001-03 Biennium	693	1,026	1,719
For the 1999-01 Biennium	589	914	1,503
For the 1997-99 Biennium	624	908	1,532

*Except for 2013-15, all figures indicate amounts necessary to produce a balanced budget. A surplus of \$146 million is shown for 2013-15.

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